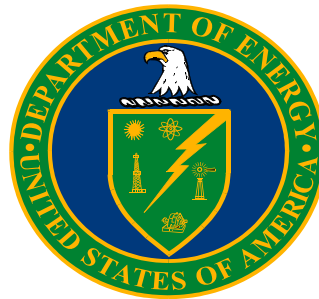


Fiscal Year 2008 Budget Briefing



Office of River Protection
Presented to the Hanford Advisory Board
Department of Energy
March 20, 2006



Meeting Objectives

- Provide Federal Budget Process Summary
- Provide River Protection Project (RPP) information
 - Hanford Funding History
 - RPP Critical Activities
 - RPP Key Commitments
 - RPP Key Priorities
 - Managing a Dynamic Program
 - Funding Summary
 - Planned Accomplishments by Project
- Promote discussion and gather timely input



The Federal Budget Process Summary

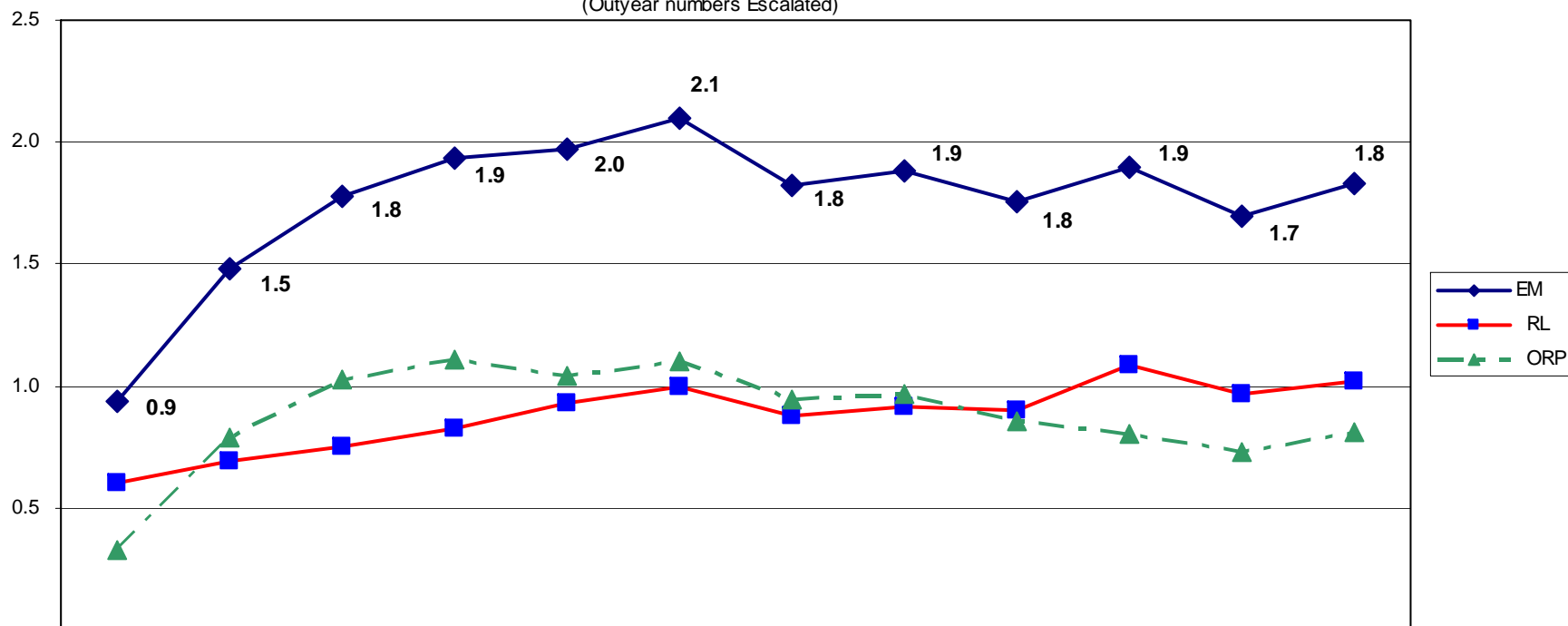
FY 2008 Formulation	CY 2005			CY 2006			
	FY 2005		FY 2006			FY 2007	
	Jul	OCT	JAN	APR	Jul	OCT	NOV
	Planning Process			Field Budget Process	HQ Review	OMB Review	
	FY 2007 Review Process			FY 2006 Execution		FY 2005 Review Process	
FY 2007 Review Process	HQ Review	OMB Review	Congressional Process		Budget Enactment or Continuing Resolution		Internal Budget Allocation
FY 2006 Execution	Congressional Process	Execution of FY 2006 Budget			Year-end closeout And Management Review		



FY 2008 Budget Briefing

Hanford EM Funding History

Dollars in Billions
(Outyear numbers Escalated)

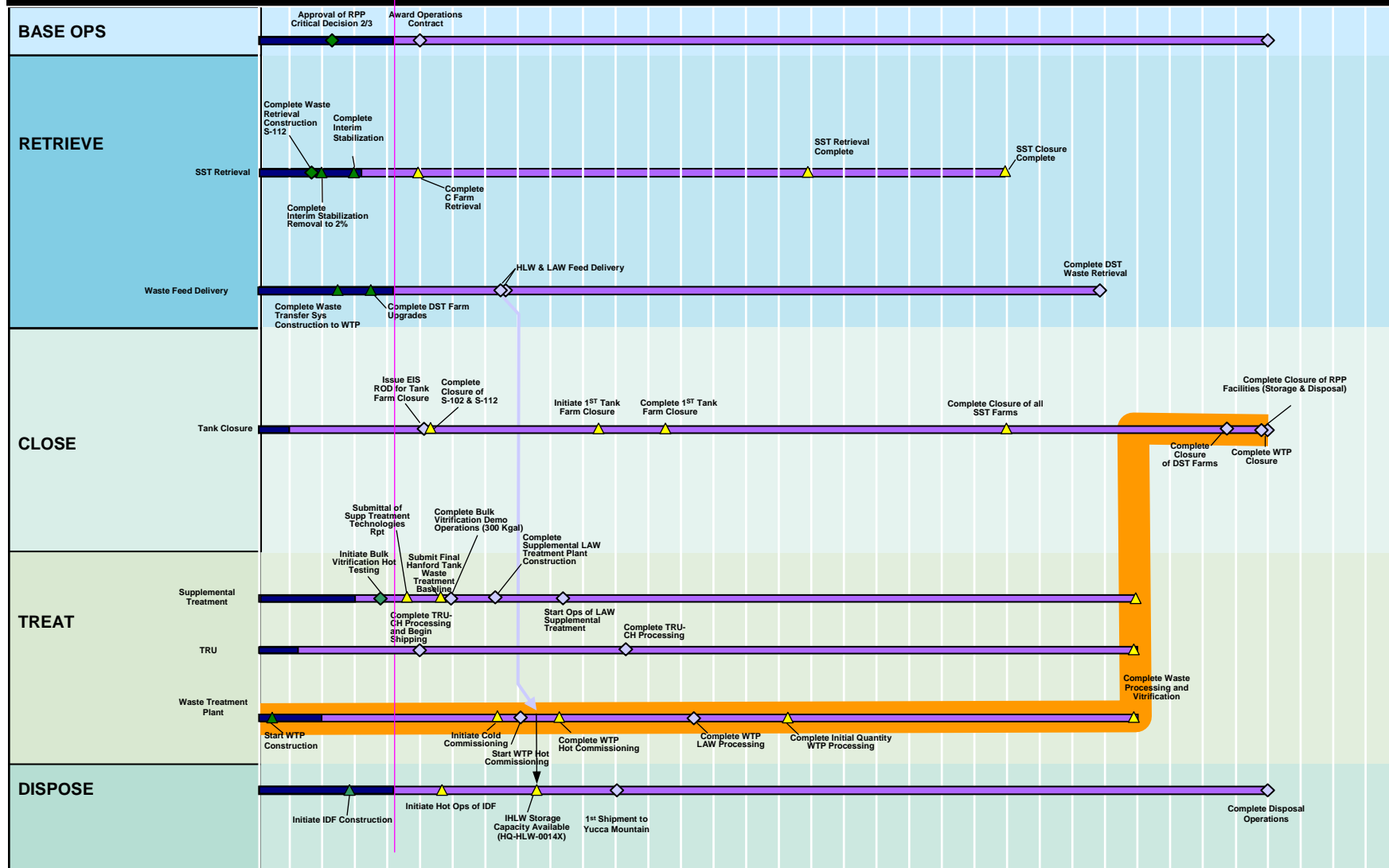


EM	0.9	1.5	1.8	1.9	2.0	2.1	1.8	1.9	1.8	1.9	1.7	1.8
RL	0.6	0.7	0.8	0.8	0.9	1.0	0.9	0.9	0.9	1.1	1.0	1.0
ORP	0.3	0.8	1.0	1.1	1.0	1.1	0.9	1.0	0.9	0.8	0.7	0.8



FY 2008 Budget Briefing

RPP Management Summary Schedule



▲ Planned Selected TPA Milestones

◆ Planned Other Targets

Note: The Lifecycle Cost and Schedule Baseline is being updated

▲ Completed Selected TPA Milestones

◆ Completed Other Targets

▲ Missed TPA Milestones



River Protection Project (RPP) Critical Activities

- RPP Management Summary Schedule identifies critical project activities
 - Critical path and key activities have not changed
 - Continue early discussions/negotiations with Regulators regarding TPA milestones
 - Schedule will be revised once ORP receives Energy Systems Acquisition Advisory Board (ESAAB) approved updated baselines



River Protection Project Key Commitments

- Safely manage 53 million gallons of Hanford tank waste
- Build a robust Waste Treatment and Immobilization Plant (WTP)
- Manage WTP and Tank Farms as an integrated system
- Pursue supplemental treatment capabilities
- Rely on the Tri-Party Agreement process to prioritize risk
- Collaborate with Regulators, Stakeholders, and Tribal Nations and consider feedback into planning activities
 - March 16 - Regulator Briefing
 - March 20 - HAB Briefing
 - March 27 - Public Briefings
 - April 6 - HAB Meeting
 - April 14 - Budget Submittal due to HQ



River Protection Project Key Priorities

- Implement updated ESAAB approved baseline for Tank Farms
- Continue design and construction of the WTP with focus on PT and HLW
- Manage the Tank Farms in a safe and environmentally compliant condition and continue to retrieve SST waste at a reduced pace
- Utilize project efficiencies to accelerate mission critical activities



Managing a Dynamic Program

- Managing the revised cost and schedule impacts due to technical and design issues along with budget fluctuations and changes in budget structure
- Addressing the impacts from delayed WTP start on the timing of retrieval, treatment, disposal, and closure activities
- Managing WTP project execution as five separate projects
- Resolving performance issues related to safety and quality (vapors, contamination events, etc.)
- Completing the Hanford Environmental Impact Statement (EIS) addressing tank closure and Hanford Site waste management and issuance of a Record of Decision (ROD)
- Addressing uncertainties related to tank waste determination decisions due to the State of Washington not being a “covered State” under Section 3116 of the National Defense Authorization Act (tank closures)
- Resolving the retrieval, treatment, and disposal of any tank waste as transuranic (TRU) waste at the Waste Isolation Pilot Plant (WIPP)
- Resolving potential impediments to completing SST retrievals and conducting SST closures as a result of the Cleanup Priority Act (I-297)
- Demonstrating the bulk vitrification technology as the supplemental immobilization path for low-activity waste



Funding Summary (Dollars in thousands)

PBS	Project #	PBS Title	FY06 Allocation (1)	FY07 President's Budget	FY08 Target
ORP-0014	N/A	Tank Farms - Operating Expense	\$ 325,721	\$ 273,656	248,205
	03-D-403	Tank Farms - Line Item Canister Storage Building	\$ -	\$ -	24,890
		Subtotal ORP-0014	\$ 325,721	\$ 273,656	273,095
ORP-0060	Multiple	Line Item Major Construction - WTP	\$ 520,759	\$ 690,000	580,325
ORP-0100	N/A	Hanford Advisory Board	\$ 466	\$ 471	471
Total - RL		Office Total	\$ 846,946	\$ 964,127	\$ 853,891
Note 1: The FY 2006 allocation reflects the 1 percent across-the-board recission, and includes funds held at HQ.					
ORP will be submitting an FY 2008 Over-Target Budget request.					



Breakout Sessions



Planned Accomplishments

Waste Treatment and Immobilization Plant (WTP)

(ORP- 0060)

FY 2008 Key Planned Accomplishments

- Continue design and construction of the WTP with focus on PT and HLW facilities
 - Continue design work on all facilities
 - Continue PT facility construction activities including: placement of concrete and installation of structural steel, electrical systems, and plant equipment
 - Continue HLW facility construction activities including: installation of piping, insulation, HVAC, structural steel and the placement of concrete
 - Install insulation in Low Activity Waste (LAW) facility
 - Perform Balance of Facilities (BOF) work on the: Diesel Generators building, Glass Former Storage building, Chiller Compressor Building and the Chemical Storage building

FY 2008 Proposed Over-Target Activities

- Accelerate WTP critical path construction – HLW



Planned Accomplishments

Tank Farms (ORP-0014)

FY 2008 Key Planned Accomplishments

- Manage the Tank Farms in a safe and compliant manner
- Continue to retrieve SST waste at a reduced pace
- Initiate construction of the DBVS
- Issue Hanford EIS
- Implement updated approved ESAAB approved baseline

FY 2008 Proposed Over-Target Activities

- Accelerate construction of DBVS
- Initiate C-Farm closure demonstration
- Perform additional SST retrievals